



STEVE COOLEY  
LOS ANGELES COUNTY DISTRICT ATTORNEY

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18000 CLARA SHORTRIDGE FOLTZ CRIMINAL JUSTICE CENTER  
210 WEST TEMPLE STREET LOS ANGELES, CA 90012-3210 (213) 974-3501

November 20, 2007

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**AUTHORIZE THE DISTRICT ATTORNEY TO ACCEPT 15<sup>th</sup> YEAR GRANT FUNDS FROM THE STATE OF CALIFORNIA, DEPARTMENT OF INSURANCE (SCDI) FOR THE WORKERS' COMPENSATION INSURANCE FRAUD (WCIF) PROGRAM FOR FISCAL YEAR (FY) 2007-08 (ALL DISTRICTS) (4-VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Adopt the enclosed Resolution authorizing the District Attorney to accept grant funds for the WCIF Program from the SCDI. Funds in the amount of \$4,899,000 have been awarded for the period of July 1, 2007 to June 30, 2008. There is no required County match for this grant.
2. Authorize the District Attorney to execute the Grant Award Agreement (GAA) on behalf of the County of Los Angeles.
3. Authorize the District Attorney or his designee, on behalf of the County of Los Angeles, to serve as project director and to sign and approve any revisions to the GAA that do not increase the net County cost of the agreement.
4. Approve the attached budget adjustment in the amount of \$283,000 to allocate spending authority to salary and employee benefits for the WCIF Program. This amount represents the difference between the grant award and the amount budgeted for FY 2007-08.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The SCDI has awarded funding for the WCIF Program for the past fourteen years. On April 27, 2007 the District Attorney's Office (DA) submitted an application to the SCDI to continue funding for this Program in FY 2007-08.

The DA was awarded \$4,899,000 for this program to be used solely for the investigation and prosecution of workers' compensation fraud cases, and cases relating to the willful failure of employers to remit payments into workers' compensation programs designed to protect employees.

The objective of the Los Angeles County District Attorney's Workers' Compensation Insurance Fraud Program is the prevention, deterrence and prosecution of those who abuse the workers' compensation system by criminal methods.

Since 2004-05, the WCIF Program has reported the following:

|                                                  | FY04-05 | FY05-06 | FY06-07 |
|--------------------------------------------------|---------|---------|---------|
| Number of suspected fraud claims reviewed        | 786     | 506     | 665     |
| Number of new (investigation) cases              | 134     | 163     | 331     |
| Number of new case filings/indictments initiated | 39      | 107     | 137     |
| Number of defendants convicted                   | 46      | 78      | 106     |

The reported number of defendants convicted includes felony and misdemeanor charges. There were a total of 172 cases in progress during FY 2006-07 which included 188 defendants and total chargeable fraud of \$19,414,786.

Board approval is required to accept grant funds and the SCDI requires an approved resolution by the County Board of Supervisors as part of the GAA. Adoption of the enclosed resolution has been approved as to form by County Counsel and will satisfy County and State requirements.

#### **Implementation of Strategic Plan Goals**

Acceptance of the grant funds supports the County's Strategic Plan Goal No. 4, Fiscal Responsibility, by securing available revenue to offset program costs. This program directly supports the District Attorney's core mission of prevention, deterrence and prosecution of felony crime throughout the County.

#### **FISCAL IMPACT/FINANCING**

The amount of \$4,899,000 has been awarded to the Los Angeles County District Attorney's Office for the WCIF Program for the period of July 1, 2007 to June 30, 2008.

The attached budget adjustment in the amount of \$283,000 represents the difference between the actual grant award and the amount included in the 2007-08 department budget for the WCIF Program. Salary and employee benefit increases will be funded by the \$283,000 difference. There is no net County cost associated with this program.

The Honorable Board of Supervisors  
November 20, 2007  
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If funding for this program were terminated, an evaluation would be conducted to determine whether the program would either be continued with costs absorbed by the department, or discontinued with the reallocation of staff to vacant budgeted positions.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Pursuant to the provisions of Section 1872.83 of the California Insurance Code, the State Department of Insurance is authorized to award and distribute funds to district attorneys submitting plans approved by the Bureau of Fraudulent Claims for the increased investigation and prosecution of fraudulent workers' compensation claims. The District Attorney's Office has been awarded funding for this Program for the last fourteen years.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

This program does not propose attorney staff augmentation. Therefore, the District Attorney's Office is not subject to the Board Motion of December 15, 1998, requiring clearance with the Alternate Public Defender, Probation, Public Defender, and Sheriff's Departments.

**CONCLUSION**

Following Board approval, the Executive Officer-Clerk of the Board is requested to call Ms. Emily Aidells at (213) 202-7674 when one copy of the adopted Board letter and two (2) copies of the executed Resolution, containing original signatures, are available for pick-up. Any questions may be directed to Ms. Aidells.

Respectfully submitted,

  
STEVE COOLEY  
District Attorney

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Attachments

c: Chief Executive Officer  
County Counsel





1 for Fiscal Year 2007-2008, for the Workers' Compensation Insurance Fraud Program  
2 for this specific task.

3 **NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of  
4 the County of Los Angeles hereby authorizes and approves acceptance of grant funds  
5 from the State of California, Department of Insurance, to be used exclusively for the  
6 program designated the "Workers' Compensation Insurance Fraud Program" for the  
7 period covering July 1, 2007 to June 30, 2008;

8 **BE IT FURTHER RESOLVED** that the County of Los Angeles  
9 hereby authorizes the District Attorney to serve as Project Director and to perform  
10 all further tasks necessary for the completion of the project, including

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1 any extensions, execution and submission of amendments, progress reports,  
2 and payment requests relating to the Grant Award Agreement;

3 **I DO HEREBY CERTIFY** that at a regular meeting of the Board of  
4 Supervisors of the County of Los Angeles, on this \_\_\_\_\_ day of  
5 \_\_\_\_\_, 2007, the forgoing Resolution was adopted.

6 **IN WITNESS WHEREOF**, I have hereunto set my hand and  
7 affixed the seal of the Board of Supervisors of the County of Los Angeles  
8 this \_\_\_\_\_ day of \_\_\_\_\_, 2007.

9  
10 County of Los Angeles

11  
12 By \_\_\_\_\_  
13 Chair, Board of Supervisors

14 SACHI A. HAMAI  
15 Executive Officer-Clerk of the  
16 Board of Supervisors of the  
17 County of Los Angeles

18 By \_\_\_\_\_  
19 Deputy

20 APPROVED AS TO FORM  
21 BY COUNTY COUNSEL:

22 RAYMOND G. FORTNER, JR.

23 By   
24 Deputy

COUNTY OF LOS ANGELES  
REQUEST FOR APPROPRIATION ADJUSTMENT

DEPT'S. No. 370

DEPARTMENT OF District Attorney's Office

November 20, 2007

AUDITOR-CONTROLLER.

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF ADMINISTRATIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 2007-08

4 - VOTES

SOURCES:

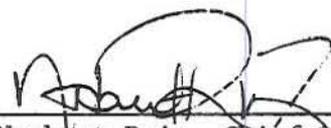
District Attorney  
AO1-DA-88-8831-14030  
State-Other 283,000.00  
Increase Revenue

USES:

District Attorney  
AO1-DA-1000-14030  
Salaries & Employee Benefits 283,000.00  
Increase Appropriation

JUSTIFICATION:

This Budget Adjustment allocates unbudgeted revenue from the State of California Department of Insurance (SCDI) for the Workers' Compensation Insurance Fraud (WCIF) Program. The additional appropriation will provide sufficient funds to successfully implement the program.

  
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Norbert Ruiz, Chief  
Budget & Fiscal Services Division

CHIEF ADMINISTRATIVE OFFICER'S REPORT

|                                                                                                                                                |                                                      |                                                                       |
|------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|-----------------------------------------------------------------------|
| REFERRED TO THE CHIEF ADMINISTRATIVE OFFICER FOR<br>ACTION<br>RECOMMENDATION<br>BY <u>Barbara Harshaw</u><br>No. <u>053</u><br><u>11-05-07</u> | APPROVED AS REQUESTED<br><u>November 6, 2007</u>     | AS REVISED<br><u>Jacqueline White</u><br>CHIEF ADMINISTRATIVE OFFICER |
|                                                                                                                                                | APPROVED (AS REVISED):<br>BOARD OF SUPERVISORS<br>19 | BY _____<br>DEPUTY COUNTY CLERK                                       |